

June 14, 2001

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Competitive Market Issues, D.T.E. 99-60

Dear Secretary Cottrell:

During the technical session on May 31, 2001 in the above-referenced proceeding, the Department of Telecommunication and Energy (the "Department") asked SmartEnergy,Inc. ("SmartEnergy") to share with the Department the Company's experience in other states as it relates to promoting retail choice and competition.

Consolidated Edison of New York, Inc. (ConEd) has developed a number of programs to promote retail competition in New York and to assist consumers in reaching competitive suppliers (known as "ESCOs") in New York. SmartEnergy and other marketers work very closely with ConEd on these programs. All these programs are conducted with the approval of the New York Public Service Commission, and are not considered outside of the scope of "customary local distribution activities."

For example, ConEd has a "Call Center Program," which works as follows: when any ConEd bundled customer (one who is not on competitive supply) calls the ConEd Customer Service Center with a complaint about how high their bill is, or if a customer calls to start service with ConEd (i.e. if the customer has moved within the service territory or has just moved into the ConEd territory), the customer is immediately made aware of the existence of "ESCOs" (competitive suppliers)—and even switched to an ESCO (ESCO product offerings are offered in rotating fashion) if the customer authorizes a switch--in the same phone call. This customer call center program offers the customer a \$50 credit for switching to an ESCO for the first time.

All residential ESCOs in ConEd were asked if they wished to participate in this Call Center program. Of the dozen or so registered residential ESCOs in ConEd, five (of the nine ESCOs with an actual residential offer) agreed to participate in this program.

More recently, ConEd has begun conducting advertising and media campaigns promoting energy choice, and residential offerings to consumers. Attached to this letter is the text of a ConEd press release announcing such efforts—this release was sent out just this week.

ConEd also maintains customer lists which marketers can use to contact ConEd customers who have not switched to a competitive supplier. ConEd has also proposed in the past, monetary rewards for successfully switching a specific target number of customers to ESCOs.

SmartEnergy appreciates the opportunity to have participated in the May 31, 2001 Technical Session, and the opportunity to submit comments in this proceeding, both with other Competitive Suppliers and individually.

Sincerely,

Patrick G. Jeffery
Vice President
Regulatory and Public Affairs

cc: DTE 99-60 service list
Encl.

ATTACHMENT: ConEd Press Release

Con Ed launches N.Y. ad campaign about energy choice

NEW YORK, June 12 (Reuters) - In an effort to encourage customers to switch energy suppliers, Consolidated Edison Inc. (Con Edison) on Tuesday kicked off an advertising campaign to teach customers about their electricity and natural gas choices.

With energy supply costs representing more than 50 percent of a bill and growing interest in energy issues because of the California supply crisis, Con Edison said in a statement now was a good time to teach customers about the power supply choices available through Energy Services Companies (ESCOs).

Power YOUR Way is Con Edison's program that allows the more than three million customers in Consolidated Edison Co. of New York Inc.'s service territory in New York City and Westchester County, N.Y. to choose their own gas and electric suppliers.

Consolidated Edison Co. of New York Inc. is a regulated electricity, natural gas and steam utility subsidiary of diversified energy holding company Con Edison. Con Edison, based in New York City, provides energy products and services to customers through two regulated utility subsidiaries and four competitive energy and telecommunications businesses.

"Power YOUR Way will help customers make informed choices that may impact the bottom line on their energy bills," Con Edison Vice President of Customer Operations Marilyn Caselli said in the statement.

Con Edison said it recently included a Power YOUR Way brochure in billing statements to help residential and small business customers make an ESCO choice.

The brochure lists ESCOs that have fixed and variable energy pricing and other services designed to suit customer needs. The information is also available on line at Con Edison's Web site (<http://www.coned.com>).

"No matter which energy supplier you choose, Con Edison will still deliver the energy in a safe and reliable manner as always," Caselli said.

Through deregulation, the gas and electric energy marketplace was opened to competition, enabling customers to shop for energy from suppliers other than Con Edison the utility.

Gas customers in New York City and Westchester County were first introduced to ESCOs in 1996, and electric customers began choosing ESCOs in 1998. Since then, nearly 100,000 customers have chosen different energy suppliers.

Con Edison continues to deliver the energy directly to consumers.

There are more than 15 ESCOs licensed to do business in the New York City area with most catering to large commercial and industrial customers.

Several companies, however, provide service to residential customers, including 1st Rochdale Cooperative Group Ltd., Con Edison's unregulated energy services company Con Edison Solutions, ECONergy Energy Co Inc., Essential.com Inc., Robinson Energy, SmartEnergy.com and Total Gas & Electric.

Con Edison said Power YOUR Way advertisements will soon appear in newspapers and on radio stations to inform customers further about the benefits of choosing an ESCO.